

CITY PROPOSAL # 6 - SICK LEAVE PAYOUT

City Proposed Language:

SICK LEAVE PAYOUT

For employees hired on or before September 29, 2012, sick leave payout shall be given to full-time benefitted employees who are members of the Federated Retirement System and who retire with at least fifteen (15) years of service. Employees are eligible to receive, upon retirement, payout for a portion of their unused earned sick leave at the rate of:

Accrued Sick Leave Hours

Sick Leave Payout

0-399 Hours 400-799 Hours 800-1,200 Hours 50% of final hourly rate 60% of final hourly rate 75% of final hourly rate

Effective June 23, 2013, for purposes of sick leave payout, an employee's sick leave balance and hourly rate shall be frozen. This means that an employee will receive no more in sick leave payout after having met the requirement contained herein than they would have been entitled to on June 23, 2013. Any sick leave usage after June 23, 2013, will come from the sick leave balance available for payout purposes. An employee will continue to accrue sick leave after June 23, 2013, but it may not be used for sick leave payout purposes.

For example, if an employee's hourly rate is \$40 and their sick leave balance is 1000 hours on June 23, 2013, if they meet eligibility requirements, they shall receive a payout of their sick leave balance at the time of retirement using the formula above, but no more than 1000 hours and at an hourly rate of no more than \$40. This will occur even if the employee has subsequently earned more than 1000 hours in sick leave or received a pay increase so that their hourly rate is higher than \$40. In this example, if the employee uses sick leave and reduces their sick leave balance on June 23, 2013, to 800 hours, they will only be entitled to a sick leave payout of 800 hours, regardless of any sick leave accrued after June 23, 2013.

Any employee hired on or after September 30, 2012, shall not be eligible for any sick leave payout.